

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6257

BILL NUMBER: HB 1032

NOTE PREPARED: Nov 26, 2008

BILL AMENDED:

SUBJECT: Wabash River Heritage Corridor Commission.

FIRST AUTHOR: Rep. Grubb

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: *Wabash River Heritage Corridor Commission Fund.* This bill removes a provision that money in the Wabash River Heritage Corridor Commission Fund does not revert to the state General Fund at the end of a fiscal year.

Wabash River Heritage Corridor Fund. The bill establishes the Wabash River Heritage Corridor Fund.

Proceeds from Minerals Taken. It deposits proceeds paid for minerals taken from beneath the navigable waters of the state in the Wabash River Heritage Corridor Fund.

Technical Change. The bill makes a technical change.

Effective Date: July 1, 2009.

Explanation of State Expenditures: *Wabash River Heritage Corridor Commission Fund.* The bill provides that money in the Wabash River Heritage Corridor Commission Fund reverts to the state General Fund at the end of a fiscal year. For FY 2008, the fund had a balance of \$0. There would have been no impact at the end of FY 2008. As of 10/23/2008, the fund had a balance of \$88,413. The impact of the provision will depend on FY 2009 disbursements and encumbrances. Money not spent will revert to the state General Fund.

Wabash River Heritage Corridor Fund. The bill establishes the Wabash River Heritage Corridor Fund for the purpose of providing grants to aid the sustainable development of property under the Wabash River Heritage Corridor Commission Master Plan and for purposes of the commission. The fund may also be used to pay costs incurred in fulfilling the directives of the master plan. The fund must be administered by the

Director of the Department of Natural Resources (DNR) under the direction of the commission. Expenses of administering the fund must be paid from money in the fund. Money in the fund at the end of a fiscal year does not revert to the state General Fund.

Proceeds from Minerals Taken. The bill provides that proceeds from royalties or other compensation paid for minerals taken from beneath the navigable waters of the state must be deposited in the Wabash River Heritage Corridor Fund. Under existing law, after deducting administrative costs incurred by the DNR, proceeds paid for minerals taken from beneath the navigable waters of the state are deposited in the state General Fund. Revenues and administrative costs for the past three years are outlined below.

Lease and Land Royalties: Revenues and Expenditures, FY 2006 – FY 2008.			
Fiscal Year	Revenues	Administrative Costs (10%)	General Fund Deposit
2006	\$112,385	\$11,238	\$101,146
2007	\$166,161	\$16,616	\$149,545
2008	\$255,892	\$25,589	\$230,303

Under the provisions of the bill, revenue identified above under General Fund deposit would no longer be deposited in the state General Fund but rather in the Wabash River Heritage Corridor Fund. The specific impact will depend on the amount of revenues generated by royalties. Funds to the General Fund would decrease by the amount deposited in the Corridor Fund. Any money in the fund at the end of a fiscal year would not revert to the state General Fund.

Background: The General Fund appropriation to the Wabash River Heritage Corridor Commission Fund for each of FY 2008 and FY 2009 is \$91,000.

The Commission Fund is used to pay expenses of Commission members; other administrative costs; and costs incurred in fulfilling the directives of the Wabash River Heritage Corridor Commission Master Plan, including multicounty projects and marketing and educational tools such as video tape productions, signs, and promotional literature. Under existing law, the sources of money for the fund are appropriations and any other funds obtained by the commission. The Treasurer of State must invest money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from investments are deposited in the fund.

Explanation of State Revenues: The bill establishes the Wabash River Heritage Corridor Fund. The fund consists of the following:

- (1) Appropriations.
- (2) Interest.
- (3) Royalties paid for minerals taken from beneath the navigable waters.
- (4) Donations.
- (5) Money transferred to the fund from other funds.

The Treasurer of State must invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

Explanation of Local Expenditures:

Explanation of Local Revenues: Grants may be available to counties located along the corridor for local projects relating to the corridor.

State Agencies Affected: DNR.

Local Agencies Affected: Counties participating in the corridor.

Information Sources: DNR and the Commission website-- http://www.in.gov/wrhcc/pdfs/manage_plan.pdf

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